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By Federal Express

March 21, 2005

David M. Olasov, Esq.  
Brown Raysman Millstein Felder & Steiner LLP  
900 Third Avenue  
New York, New York 10022

Re: Zurcaled International/Scientific Games

Dear David:

I would like to take this opportunity to summarize Zurcaled's position following our recent exchange of correspondence, the telephone discussions you and I have had and also, the telephone discussion that Larry Potts participated in.

Scientific Games has requested that Zurcaled answer questions posed by Mr. Potts pertaining to Zurcaled's conduct in Puerto Rico. Scientific Games has requested that such questioning be in person, that Zurcaled answer the questions under oath and that there be no parameters as to the limitation of such questions. Specifically, and without limitation, Scientific Games has requested that Zurcaled answer questions pertaining to the Services performed by it in Puerto Rico and with regard to same, Scientific Games has demanded that Zurcaled reveal its contacts utilized in this process. Scientific Games has explained that it requires the questioning of Zurcaled in this manner, to respond to/and investigate certain allegations made in Puerto Rico. At this time, the allegations appear to be surmise and conjecture and do not constitute any formal grievance or investigation by Lotteria Electronica, or any branch of the government in Puerto Rico.

In response to Scientific Games's request, I have advised you that Zurcaled believes that its duty to cooperate, if any, does not extend to the parameters requested by Scientific Games. Nonetheless, I have also advised that Zurcaled will cooperate in providing certain information to further Scientific Games's investigation of the "allegations." Zurcaled has offered to respond to Scientific Games's questioning as follows:

- i. Zurcaled will respond to any particular allegation regarding its conduct in Puerto Rico and will state whether or not the allegations are true or false.

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- ii. Zurcaled will provide Scientific Games, if questioned, with the details of the Services it performed for Scientific Games regarding the lottery in Puerto Rico.

Although we did not discuss this during our telephone conversations, Zurcaled has advised that it will, if requested, provide all of the foregoing under oath.

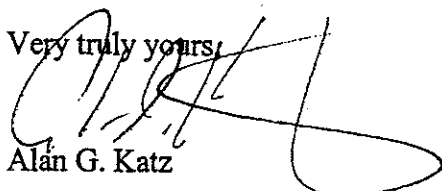
However, as we discussed, the allegations that you have made known to us do not rise to the level of a governmental inquiry or investigation and, in Zurcaled's opinion, represent the bad faith, unsubstantiated statements of supporters of other bidders. Because of Zurcaled's desire to protect its confidential and proprietary business/trade secrets, Zurcaled will not identify those people it contacted in Puerto Rico. In addition, Zurcaled does not believe that the Consulting Agreement requires the contrary. As I discussed with you, if the "allegations" do subsequently rise to the level of government investigation or inquiry as contemplated in Paragraph 16 of the Consulting Agreement, Zurcaled will take those steps necessary to protect itself and the contract awarded to Scientific Games.

Zurcaled congratulates Scientific Games on its March 15<sup>th</sup> launch of the lottery in Puerto Rico. Zurcaled wishes Scientific Games long-term success with the lottery and is hopeful that the lottery will grow, not only as a result of Scientific Games's expertise, but also, the addition of new games and the potential of a Powerball alliance. Based on our calculations, we believe that the first payment under the Consulting Agreement is due to Zurcaled on or before April 10, 2005. We look forward to Scientific Games's timely compliance with its payment obligations to Zurcaled.

Should Scientific Games, through Terry Patterson, Steve McCarthy or such others, need Zurcaled's assistance with any matter regarding Puerto Rico, please feel free to discuss same directly with Mr. De La Cruz. Should there be need for any further discussion with regard to the issues discussed in this letter or in our prior conversations or correspondence, please direct them to me.

Zurcaled hereby reserves all of its rights and remedies.

Very truly yours,

  
Alan G. Katz

AGK/hw